

The California Fashion Association (CFA) is focused on building a knowledge base to identify and meet the needs of the various constituents of the industry.

CFA News Flash



June 15, 2021

Supply Chain Update

There is an enormous impact on supply chain disruptions including, freight rate increases, equipment shortages, drayage delays, increased congestion, and more. Everyone involved in international shipping understands that *for every disruption there's usually a disproportionately large reaction.*

The Port of Shenzhen encompasses **over a dozen facilities** including one of the world's largest and busiest container ports (Yantian). The Port of Shenzhen is located in the Pearl River Delta—including Shenzhen, Guangzhou, Foshan, Zhuhai, etc. **This area accounts for roughly 25% of China's total exports by volume** and has been currently **operating at 30% operational capacity.**

We expect several more weeks of impact on the South China coast. On Monday, June 14th, there were 67 container vessels at anchor off the South China coast.

There is some good news; waiting times are down from 18 days to around 9 days. The port is expected to move above 50% of berthing capacity this week. By next week, June 22, 2021, all berths will be back in use. Hopefully, more optimism to come.

There is a U.S. House of Representatives hearing regarding the "Impacts of Shipping Container Shortages, Delays, and Increased Demand on the North American Supply Chain." [However, the U.S. has no ownership in any maritime vessels and, thus, has little control.]

Suggestions: Make bookings as early as possible, discuss alternative routings & different modes of transportation...it is all about 'freight engineering' to assist in the movement of your goods.

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